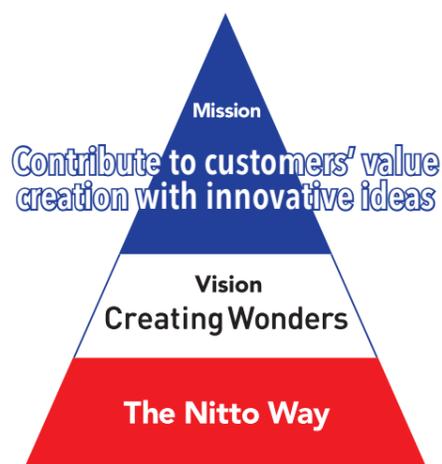


Corporate Philosophy

The Nitto Group's Corporate Philosophy is comprised of three elements: our corporate Mission, the Vision which aligns our way of thinking in attaining our Mission, and the Nitto Way, which includes our Values, Attitudes and Mindset, and Code of Conduct.



Mission

Contribute to customers' value creation with innovative ideas

We at Nitto Group hope to retain an attitude of relentlessly pursuing products, systems, and ideas that customers will find valuable. Our Mission is to deliver safety, prosperity, comfort, and affluence not only to customers whom we come in contact with directly but also to every stakeholder.

Vision

Creating Wonders

In order to achieve our Mission to "Contribute to customers' value creation with innovative ideas" as one team, all Nitto Group employees around the world must share the same vision, or outlook. This shared vision has been dubbed "Creating Wonders." Each and every employee will challenge themselves to cause feelings of wonder and inspiration around the world; in other words, we will endeavor to create wonders in our everyday work. In doing so, power will be generated that can change the world in many different domains.

The Nitto Way

Philosophical Ideas

In order to achieve our Mission to "Contribute to customers' value creation with innovative ideas," and our Vision, "Creating Wonders," "The Nitto Way" indicates the Values, Attitudes and Mindset, and Code of Conduct that every Nitto Group employee should follow. The passion, wisdom, and values of the various senior employees who have shaped the Nitto Group for a long time since its foundation have now taken the form of "DNA" that can be found in each and every member of the Group. These principles and ideologies are stipulated as "The Nitto Way," which serves as our standard for judgment and is something that we all turn to in situations of uncertainty.

We place safety before everything else

- Achieve zero accidents and injuries.
- All employees must work together to establish a safe and secure workplace.

Amaze and inspire our customers

- Exceed customers' expectations to have them say, "This is exactly what we wanted!"
- Work with customers and create new societal values.
- Customer satisfaction brings value to our stakeholders.

Anticipate and leverage change

- Go to the field to sense changes in society and the market.
- Rapidly link sensed changes to actions.
- Refine our strengths, and aim to become the company customers want to consult with first.

Take on challenges for new value creation

- Continue to take on challenges, even if we fail in the short-term, rather than do nothing for fear of failure.
- Embrace change, exercise curiosity, and take the first step forward.

Act promptly and follow through on your decisions with determination

- Take the first step forward and then think while advancing.
- Share information openly, have equal and fair discussions, and if a decision is made, work together as a team to bring out the best possible result.
- Always make efforts to ensure frank and open communication beyond organizational boundaries and roles.

Transform ourselves constantly

- Anticipate challenges, implement reforms, and bring about growth in the spirit of *Mu-Gen-Dai*.
- Keep changing. Change leads to opportunity and growth.
- Challenge ourselves to improve our future. Changes in each of us lead to growth of the entire organization.

Have an attitude of integrity, and understand and respect diversity

- Take actions based on integrity and modesty to build relationships of respect and trust with stakeholders.
- Appreciate the diversity of our global team. Accept and respect others.

Contents

Profile	Value Creation Process..... 23
Corporate Philosophy/Contents/Editing Policy.... 1	
Footsteps of the Nitto Group..... 3	
The Nitto Group Now..... 5	
Highlights..... 7	
Top Message	
Top Message..... 9	
Value Co-Creation Strategies	
Addressing Material Issues for Sustainability..... 15	
Nitto Group's Financial Strategy as per the Chief Financial Officer..... 21	
	Co-Creating Value through Innovation
	Nitto Group's Strengths 25
	History of Technology Innovation..... 27
	Nitto Group's R&D Strategy as per the Chief Technology Officer 29
	Innovation to Shape the Next Generation 33
	Segment Information 34
	For the Benefit of Society 39

Enhancing Management Process for Co-Creating Value
Human Resources 41
Product Safety/Quality 44
Environment 47
Governance
Directors and Auditors 51
Vice Presidents..... 55
Executive Compensation..... 56
Corporate Governance System 57
Risk Management..... 60
Compliance..... 62

Messages from Outside Directors
Messages from Outside Directors 63
Data Section
Business Results: 10-Year Summary..... 65
Consolidated Financial Statements 67
Shareholder/Stock Information 69

Editing Policy

It is with great pleasure that we publish this Integrated Report of the Nitto Group to inform our stakeholders of what we are doing to "simultaneously solve social issues and create economic value." Described in this report are the past, present, and future of the Nitto Group - how it has grown to what it is today and how we will go about co-creating value into the future - which we hope will give you an overall picture of the Group. Please refer to our corporate website for more details and relevant information. This report is available in Japanese and English and can be found on our corporate website.

- **Scope**
This report covers the business activities of 101 companies including Nitto Denko Corporation and its 94 subsidiaries and 6 affiliates, as of March 31, 2021.
- **Time Period**
Fiscal 2020 (April 1, 2020 - March 31, 2021)
Some performance figures and activities from periods other than the above are also included.
- **Reference Guidelines**
This report has been prepared with reference to the following guidelines:
Global Reporting Initiative (GRI) Standards by the Global Reporting Initiative
International Integrated Reporting Framework by the International Integrated Reporting Council (IIRC)

Footsteps of the Nitto Group

Founded as a manufacturer of insulating materials, the Nitto Group has grown steadily by delivering diverse products that tap into its core expertise, such as adhesion and coating technologies. We will continue challenging ourselves to make people's lives better and more convenient by offering solutions to social issues while creating economic value.



Nitto Electric Industrial Co., Ltd. was formed in Osaki, Tokyo, on October 25, 1918. It was a time when electricity was rapidly becoming widespread as one of the infrastructures essential for industrial development. Nitto Electric Industrial was formed to get involved in the urgently needed domestic production of electrical insulating materials, important components of electrical equipment and machinery.



Linotape



Electrical Insulating Varnish

After the plant in Osaki, Tokyo, was destroyed by air raids, Nitto restarted operations in Ibaraki, Osaka. Nitto's company credo, "Each product, each roll of tape is made with Nitto's exhaustive efforts. Everything we do is for dedication to our customers," was introduced in 1956. This policy endures today in our current brand slogan, "Innovation for Customers." In 1957, the Nitto Group's unique marketing approach that holds up to this day, *Sanshin* Activities (three new activities), began.



Vinyl Tape



Maxell Battery

In 1961, Nitto separated off Maxell, the department dealing with consumer goods, aiming to take a leap forward as an industrial materials manufacturer. In 1962, the Toyohashi Plant, our main production site of adhesive tapes in Japan even at present, began operation. The Kanto Plant also began operation in 1967 in a move to increase production. Overseas, Nitto Denko America, Inc. was formed in 1968, followed by the 1969 foundation of Nitto Denko (Taiwan) Corp. as the first overseas manufacturing site.



Double-sided Tape



Fluoroplastic Tape "NITOFLO™"

1974 — 1988
Development of Multiple Cores and Overseas Expansion
Advancing into the fields of medical care and electronics, commencement of overseas operation, and acceleration of M&As

In the aftermath of the oil crisis of 1973, the Nitto Group drove the development of multi-core business to fortify itself with enough resources to survive economic fluctuations. The Nitto Group began offering materials for use in electronics and also gave birth to various products related to medical care and the membrane business. In 1974, Nitto Belgium N.V. was formed. In 1987, Nitto acquired Hydranautics in the U.S. to implement the membrane business on a global level. In 1988, when Nitto celebrated the 70th year since its foundation, the company name was changed to Nitto Denko Corporation.



"COLOCOLO™" Series



Transdermal Patches

1989 — 2007
Introduction of the Business Division System / Implementation of Global Niche Top™ Strategy
Establishing business foundation for sustained growth

In 1989, the business division system was introduced to get back to the basics of serving customers and to respond speedily to dynamic changes in the market. In 1996, the Nitto Group began implementing the Global Niche Top™ strategy, with the aim of achieving top global market share by determining markets with high growth potential and focusing its management resources into niche fields where the Nitto Group has a competitive advantage. The Nitto Group's effort was not limited to the offering of products, and resulted in the development of Roll to Panel™*1, a business model which offers new values to customers, including productivity improvement, reduction of packing materials, improved yield of polarizing films, and manpower saving.

*1 Whole polarizing films are brought in to the customers' production site, where the subsequent processes from cutting, inspection, to lamination of glass are performed seamlessly.



REVALPHA™



TEMISH™

2008 —
Innovation for Customers
Further business reform to offer comfortable lives to people

The economic crisis of 2008 cast a major shadow over countless businesses and the Nitto Group was not an exception. Yet, the Nitto Group was able to recover in a short time by responding speedily to the changes in the business environment and with its unique management approaches of "Mu-Gen-Dai"^{*2} and "Kuruma-za," a group discussion to come up with ideas or solve problems, achieved major earnings growth thereafter. In 2013, the "Nitto Denko" brand logo was renewed to the current "Nitto," and in 2014 the new brand slogan, "Innovation for Customers" was established.

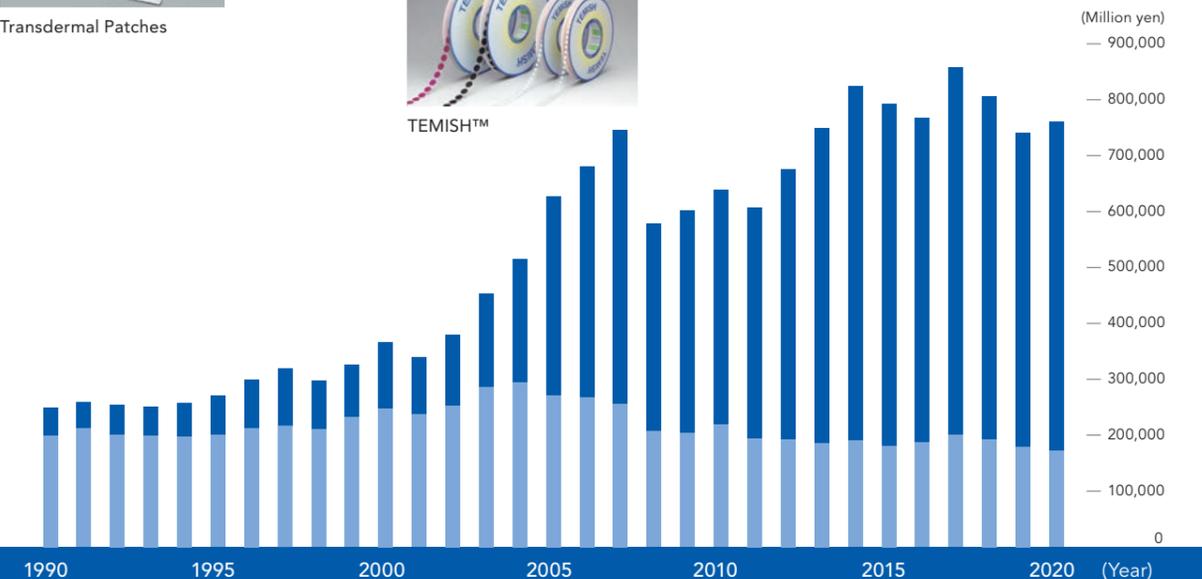
Nitto celebrated its 100th anniversary in 2018. ^{*2} Nitto Group's growth plan that centers around substantial reform of cost structure from three points of view: *Mu* (to eliminate), *Gen* (to reduce), and *Dai* (to substitute).



Ultra-Thin Polarizing Film Plastic Optical Fiber Film

Sales*3 Trends

Non-consolidated
■ Overseas sales ■ Sales in Japan
Consolidated
■ Overseas sales ■ Sales in Japan

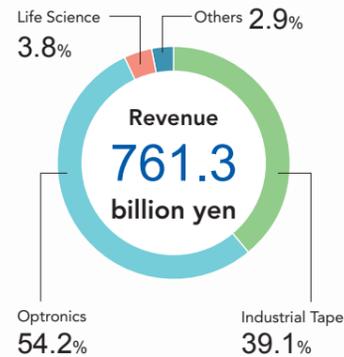


*3 The numbers from FY2014 are for "Revenue," following the introduction of the International Financial Reporting Standards (IFRS).

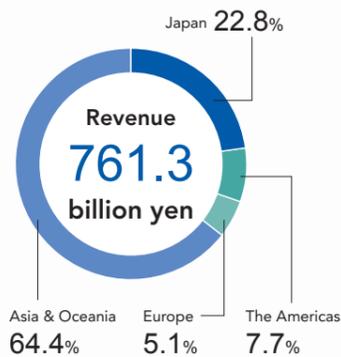
The Nitto Group Now

The Nitto Group is underpinning the comfortable lives of people the world over. We keep challenging ourselves in areas no one has ever challenged, with the near future in mind.

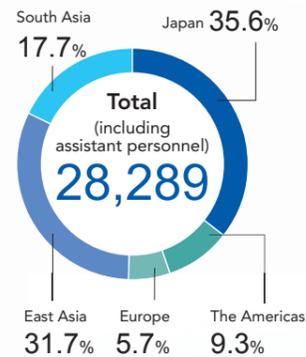
Segment Revenue



Regional Breakdown of Revenue



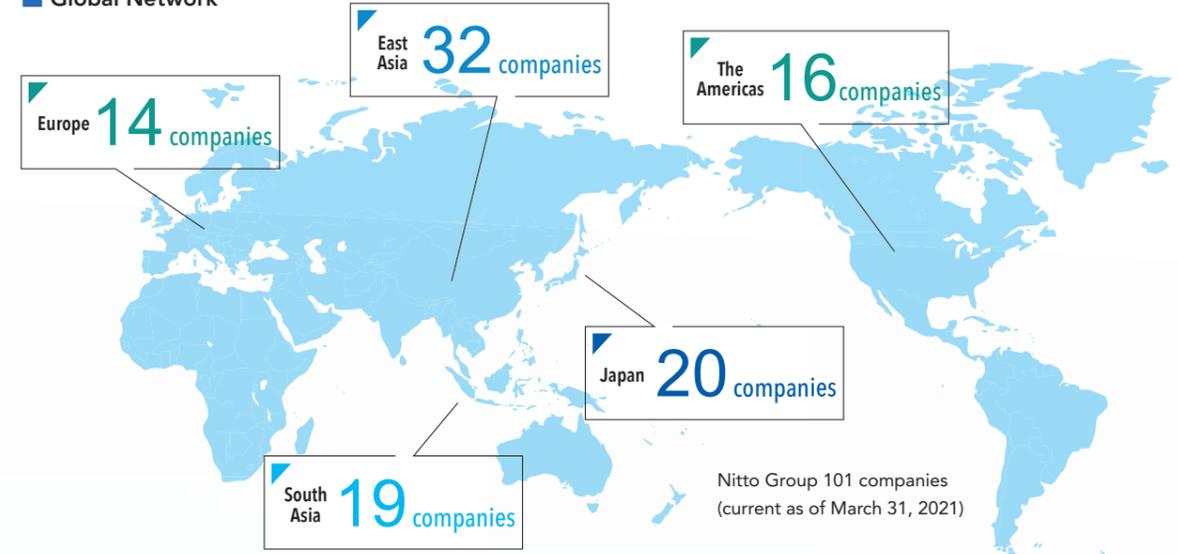
Regional Breakdown of Employees



Our Markets

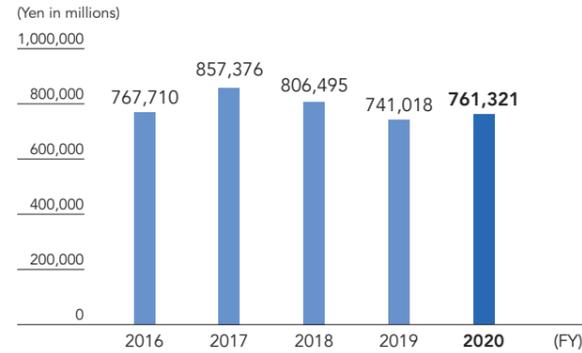


Global Network

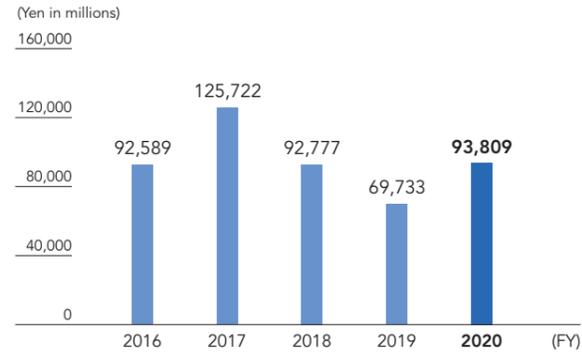


Highlights

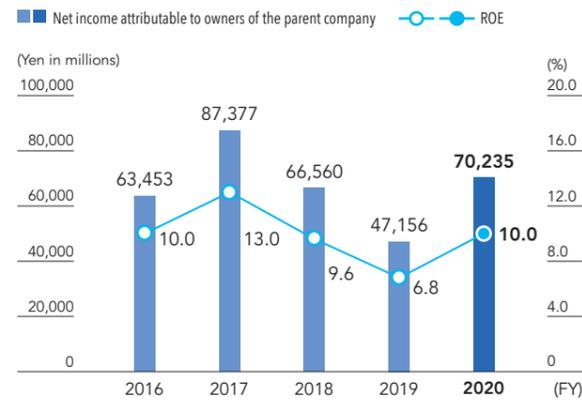
Revenue



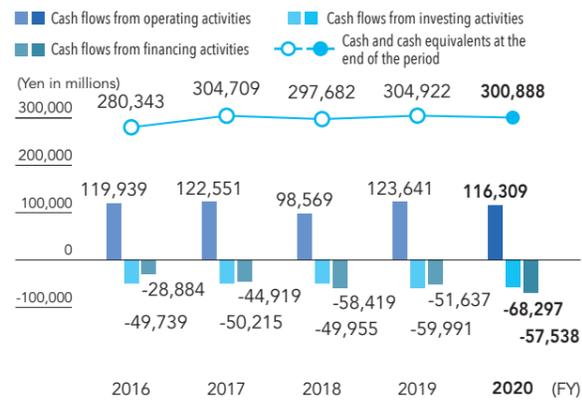
Operating Income



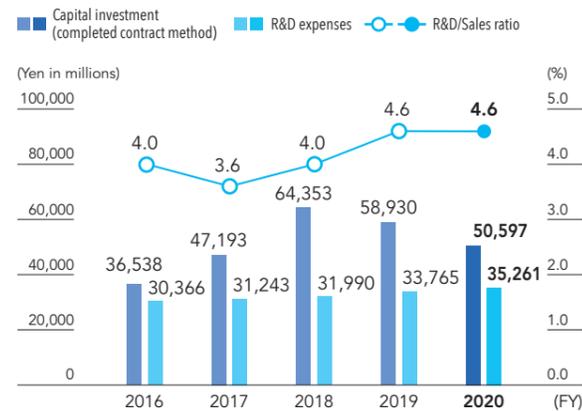
Net Income Attributable to Owners of the Parent Company, ROE



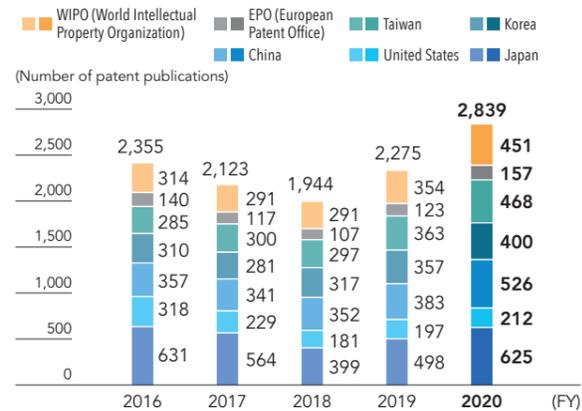
Cash Flows



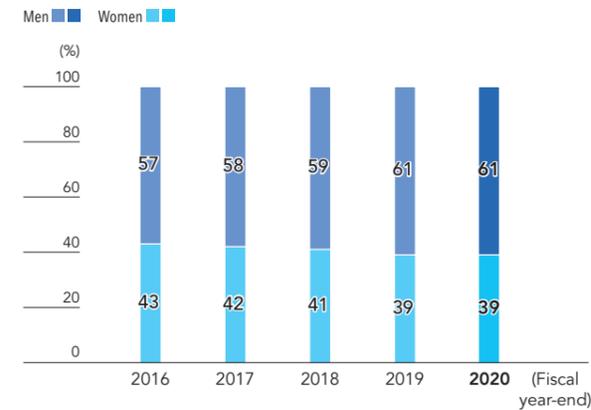
Capital Investment and R&D Expenses



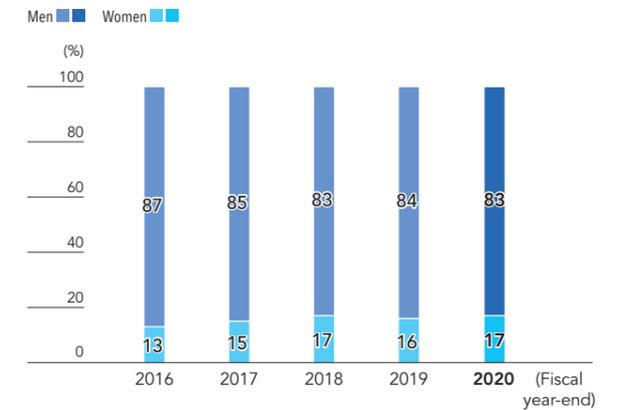
Patent Publications (non-consolidated)



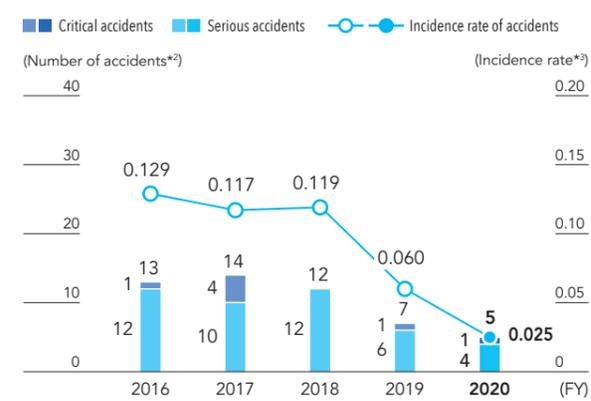
Gender Ratio of Employees



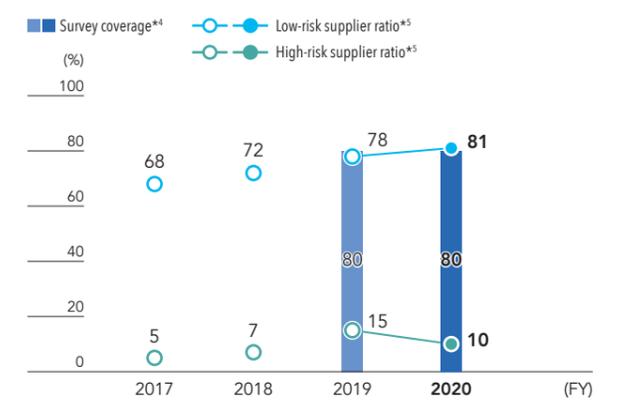
Gender Ratio of Management



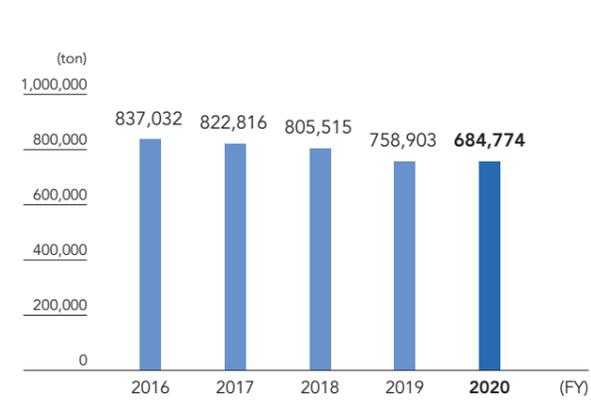
Number of Critical/Serious Occupational Accidents*1



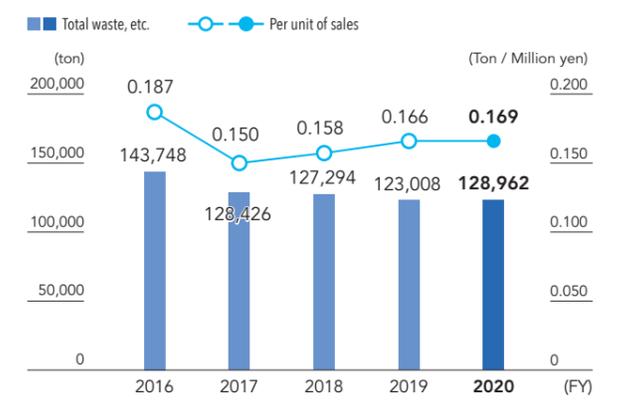
Coverage of the CSR Procurement Survey



CO2 Emissions (Scope 1+2)



Total Waste, Etc.



*1 Critical accidents: Accidents resulting in death or permanent disability | Serious accidents: Accidents that could develop into critical accidents
 *2 Including all the persons working on the Nitto Group's premises
 *3 Including all the Nitto Group employees (excluding temp staff) | The number of occupational accidents per million hours worked
 *4 Ratio of the amount of purchases from surveyed suppliers (respondents to the CSR Procurement Survey) to the total purchase amount. Data for FY2017 and FY2018 are omitted from the graph as different respondent selection criteria were used then.
 *5 Ratio of "low-risk (Green)" or "high-risk (Red)" suppliers to all the surveyed suppliers (respondents). Rating is given according to the Nitto Group's own criteria (p. 46).